GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA

UNSTARRED QUESTION NO:250
ANSWERED ON:20.11.2001
BILATERAL AGREEMENT BY AIR INDIA
GUNIPATI RAMAIAH

Will the Minister of DISINVESTMENT be pleased to state:

(a) whether the Government have recently negotiated a number of new bilateral agreements and granted new additional rights to several foreign airlines;

(b) if so, the details thereof;

(c) the impact of this decision on the valuation of Air India and the bids received for the purchase of shares being sold; and

(d) Whether it has reduced the Government`s negotiating position?

Answer

MINISTER OF DISINVESTMENT AND MINISTER OF DEVELOPMENT OF NORTH EASTERN REGION (SHRI ARUN SHOURIE)

(a)&(b) The details have been given in the Annexure.

(c) During 2000-2001, Air India has earned revenue of Rs.245 crores from these commercial agreements and made a net additional profit of nearly Rs. 200 crores. Air India has also gained by giving connectivity to more places than it used to earlier. Without these commercial agreements, Air India`s financial situation would have been worse and its financial valuation would have been much lower for the purpose of disinvestment.

(d) No, Sir.

Annexure to the reply to parts (a) & (b) of Lok Sabha Unstarred Question No.250 for 20.11.2001 regarding Bilateral Agreement by Air India by Shri Gunipati Ramaiah.
Additional Traffic rights granted in 2001 (Seats/week for each side)

1. Russia - 500 seats (in phased manner)
(12.01.2001)

2. Hong Kong - 1250 seats
(19.01.2001)

3. Yugoslavia - 600 seats (new Agreement)
(30.01.2001)

4. Germany - (2800 seats out of
(6.2.2001) Indian entitlement)

5. SAS - 600 seats
(27.03.2001)

6. Austria - 600 seats (in phased manner)
(23.03.2001)

7. UAE (Dubai) - 2000 seats (for operations to

(20.04.2001) Hyderabad)

8. Oman - 1000 seats
(13.08.2001)

9. Kuwait - 700 seats (for operations to Cochin)
(30.08.2001)

10. Singapore - 650 seats (1.6 B 747 unit, for
(07.09.2001) operations to Cochin)

Total - 7900 seats/week (+ 2800 seats to
Germany out of Indian entitlement)

New points of Call

UAE - Hyderabad

Oman }
Kuwait } - Cochin
Singapore }
Germany }
Hongkong } - Bangalore